MEMORANDUM FOR Distribution

FROM: Beth Shearer, Director
Federal Energy Management Program
Energy Efficiency and Renewable Energy

SUBJECT: Request for FY 2001 Submissions to Implement the New Executive Order and to Develop Model Programs for Energy Management

To help DOE maintain its energy management leadership role in the Federal government, the Federal Energy Management Program (FEMP) requested funding to achieve the goals of the new Executive Order (EO) 13123 "Greening the Government Through Efficient Energy Management," and the more stringent energy efficiency goals established by the Secretary of Energy's memorandum of November 12, 1999, "Pollution Prevention and Energy Efficiency Leadership Goals." It is expected that this funding for DOE energy management program activities will also be available in future years to support our continued improvement in energy efficiency.

FEMP is pleased to announce our second funding initiative to support the development of model programs for DOE to maintain a leadership position in energy management and to initiate new approaches to accelerate the implementation of the EO and to expand the use of private sector financing for saving energy. The other funding initiative was announced through a separate call letter by FEMP on December 7, 2000, and will provide support for energy management retrofit projects to reduce energy/utility costs.

It is expected that FEMP will be able to provide up to $1.5 million in fiscal year (FY) 2001 funds to DOE sites to develop model programs and begin new initiatives for any of the following activities:

1. Expanding the use or initiating new energy savings performance contracts (ESPCs) and utility energy service contracts (UESCs);
2. Auditing of DOE facilities to identify future energy retrofit projects and to accelerate the replacement of inefficient equipment;
3. Auditing DOE facilities for water savings opportunities or implementing FEMP's best management water practices;
4. Evaluating DOE office buildings with metered energy use data for Energy Star labels, developing metering plans for evaluating buildings that do not currently have metered data or improving the energy efficiency of buildings that do not qualify for Energy Star labels;
5. Evaluating methods for reducing energy consumption in surplus facilities;

6. Evaluating high efficiency energy systems including combined cooling, heat, and power systems and surveying local natural resources to optimize use of available biomass, bioenergy, geothermal, or other naturally occurring energy sources when life-cycle cost-effective.

7. Assisting in the design of sustainable buildings with emphasis on acquiring Leadership in Energy and Environmental Design Building Certification through the U.S. Green Building Council;

8. Reducing greenhouse gas emissions by evaluating life-cycle cost-effective measures for reducing petroleum use by switching to natural gas or renewable energy sources, or other effective means;

9. Evaluating energy efficiency and best practice opportunities in industrial facilities for steam systems, boiler operations, motor and pump systems, air compressor systems, industrial processes, and fuel switching;

10. Evaluating energy efficiency and best practice opportunities in laboratory facilities for clean rooms, computer facilities, and other energy intensive operations;

11. Evaluating the use of off-grid generation systems (i.e. fuel cells, microturbines, wind energy systems, photovoltaic systems, etc.) where such systems are life-cycle cost effective and offer benefits including energy efficiency, pollution prevention, and source energy reductions;

12. Evaluating the replacement of chillers that use Class I ozone depleting substances with chillers that are more efficient and are integrated with other energy conservation measures to allow downsizing of the system;

13. Developing a model program for the procurement of ENERGY STAR products or other energy efficient products that are in the upper 25 percent of energy efficiency;

14. Developing building commissioning or re-commissioning programs to identify and correct operational inefficiencies, verify energy use and improve design and construction practices; and

15. Transferring information from model programs that have already been developed to other sites, so that these programs can be replicated.

The submission requirements for nominating model program approaches for FEMP funding are included in attachment 1. The evaluation criteria that will be used by FEMP in selecting nominations for funding are included in attachment 2. It is expected that the evaluation or development phase of the activities that FEMP selects for funding will be completed within one year of receiving funding support. I request that you submit complete model program nominations for funding consideration by February 9, 2001.

Please send all submissions and direct any questions to Mr. Victor Petrolati (EE-90) on 202-586-4549.

Attachment 1

MODEL PROGRAM NOMINATION REQUIREMENTS

A submission for FEMP funding must contain the items listed below:

1. Contact person name, phone, fax, E-mail and address;
2. Model Program Title (that allows easy reference to one of the 14 model program areas previously described);
3. Model Program Location;
4. Model Program Schedule;
5. Model Program Approach – Describe the proposed model program concept and plan. Describe how this model program will be developed and what will be necessary for it to be implemented at the site. Discuss whether the model program approach may change the culture at the site or how it may institutionalize the concept and practice of energy efficiency so that DOE energy management practices become the standard way of doing business. Emphasize any new and novel aspects about the model program;
6. Model Program Goals – Identify the measurable goals of the proposed model program and the steps that will be taken to measure progress for achieving the desired goals;
7. Model Program Potential Impact – Provide site estimates for energy savings, cost savings, pollution prevention benefits or other benefits of the model program approach. Describe potential DOE benefits for expanding the model program by implementing similar programs on a site and/or DOE-wide basis;
8. Model Program Team – Describe the technical, management, and procurement ability of the team and how it is committed to making the model program a success. Identify the management commitment that is required to make the effort a success. Identify any actions to be taken to involve private sector support and cost sharing.
9. Model Program Cost – Document the costs being requested for developing the model program approach and if applicable, state a commitment or discuss the plan to finance the implementation phase of the model program through ESPCs, UESCs or other financing options. Sites are encouraged to obtain cost sharing opportunities with other DOE or private sector partners, and to demonstrate the funding commitment of these partners;

Attachment 2

EVALUATION CRITERIA FOR MODEL PROGRAM NOMINATIONS

Selection of submitted funding nominations will be made by FEMP in accordance with the following selection criteria and programmatic considerations. The applications should be fully responsive to each of the criteria:

1) *DOE leadership*. The successful applicants will demonstrate leadership in implementing the EO by developing innovative strategies and ideas for those items identified above;

2) *Cost-effective and other potential benefits*. Energy or water efficiency programs must be life-cycle cost effective and offer benefits including energy efficiency, pollution prevention, source energy reductions, avoided infrastructure costs, or improved service or reliability.

3) *DOE-wide implementation*. The successful applicant will demonstrate anticipated benefits and impacts of the program activities and the potential of implementing similar projects on a DOE-wide basis;

4) *Balanced portfolio*. FEMP is interested in a balanced portfolio that responds to developing a broad cross-section of model programs that demonstrate implementation of the EO;

5) *Site funding commitment*. The site will demonstrate a commitment of funding or establish a plan to finance the implementation phase of the program through ESPCs, UESCs or other financing options. Sites are encouraged to obtain cost sharing opportunities with other DOE or private sector partners, and to demonstrate the funding commitment of these partners;

6) *Project team and partners*. The successful applicant will demonstrate the capabilities and contributions of the project team for the proposed work. Involvement with the private sector to provide cost share or other in-kind services support at DOE sites will be considered important to the success of the model program;

7) Degree of management commitment. The successful applicant will demonstrate a high degree of management commitment to the model program approach either through past demonstrated actions and/or through clear commitment for the necessary future actions.